

Message Text

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PAGE 01 LISBON 04674 231915Z

ACTION AGRE-00

INFO OCT-01 EUR-12 ISO-00 EB-08 L-03 AID-05 COME-00

STR-07 CIAE-00 INR-10 NSAE-00 /046 W

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P 231819Z JUN 78

FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 6135

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PASS AGRICULTURE/FAS, OGSM

E.O. 11652: N/A

TAGS: EAID EAGR PO

SUBJ: PL 480, TITLE I, NEGOTIATIONS

REF: LISBON 3809, STATE 14232, STATE 135356

1. THE THIRD FORMAL SESSION FOR THE NEGOTIATION OF THE FY 1978
TITLE I AGREEMENT WAS HELD JUNE 19, 1978.

2. ALTHOUGH SESSION NEGOTIATORS AGREED ON A REVISED UMR FOR
RICE PLUS CARRYOVER RESULTING IN A TOTAL UMR OF 41 THOUSAND
TONS; WHICH WOULD PERMIT GOP TO PROGRAM 6 THOUSAND TONS UNDER
TITLE I, CT SUGGESTED (AS AN INCENTIVE TO PURCHASE MORE U.S.
RICE) THAT AMOUNTS IN THE COMMODITY TABLE NOT TO BE CHANGED
AND THAT AT AN APPROPRIATE TIME THE GOP COULD REQUEST THAT
EXCESS FUNDS BE TRANSFERRED TO FEED GRAINS IF NECESSARY.

3. CONCERNING COTTON, IT WAS AGREED THAT THE PROPOSED
UMR PLUS CARRYOVER (TE AMOUNT OF SHORTFALL REMAINS IN DOUBT)
COULD NOT BE ACHIEVED DURING THE REMAINDER OF THE CURRENT
FISCAL YEAR. U.S. REPS SUGGESTED THAT GIVEN TIME
CONSTRAINTS, FURTHER NEGOTIATION OVER COTTON ISSUE
WOULD BE VERY PREJUDICIAL TO COMPLIANCE WITH AGREEMENT
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PAGE 02 LISBON 04674 231915Z

RELATIVE TO OTHER COMMODITIES. GOP NEGOTIATORS AGREED
THAT RAPID CONCLUSION OF THE AGREEMENT IS NECESSARY TO
AVOID PROBLEMS WITH IMPORT OF OTHER COMMODITIES INCLUDED
IN THE AGREEMENT. IT WAS MUTUALLY AGREED THEREFORE THAT
COTTON SHOULD NOT BE INCLUDED IN THE FY 78 AGREEMENT.

4. GOP NEGOTIATORS THEN REQUESTED THAT THE COTTON

CREDITS BE TRANSFERRED TO OTHER COMMODITIES. US REPS EXPLAINED THAT GLOBAL LIMIT REQUIRING 75 PERCENT OF THE FOOD ASSISTANCE GO TO COUNTRIES WITH AVERAGE INCOME UNDER \$500 MADE THE REQUESTED TRANSFER IMPOSSIBLE. US REPS FURTHER EXPLAINED THAT A PORTION OF THE UNUSED FUNDS COULD BE USED TO OFF SET PRICE INCREASES IN FEED GRAINS OR WHEAT.

5. GOP NEGOTIATORS THEN RAIDED THE QUESTION OF THE POSSIBILITY OF SIGNING A SPECIAL AGREEMENT FOR COTTON AT THE BEGINNING OF FY 79. US REPS SAID THAT SUCH AN AGREEMENT COULD BE CONSIDERED AND PROPOSAL SHOULD BE MADE PRIOR TO THE END CURRENT US FISCAL YEAR.

6. US REPS FURTHER EXPLAINED THAT SINCE A PORTION OF THE COTTON FROM THE FY 77 AGREEMENT WAS IMPORTED IN FY 78, THE EXPORT LIMITATION FOR FY 77 HAS TO BE CARRIED OVER INTO THE CURRENT FISCAL YEAR. GOP NEGOTIATORS ACKNOWLEDGED THE REQUIREMENT AND REQUESTED THAT EXPORT LIMITATION LANGUAGE BE MODIFIED. GOP REPS ASKED THAT THE WORD QUOTE UTILIZED END QUOTE BE STRUCK FROM THE END OF THE FIRST SENTENCE UNDER ITEM IV, EXPORT LIMITATIONS. US NEGOTIATORS AGREED TO QUERY WASHINGTON ABOUT THE POSSIBILITY OF THE REQUESTED DELETION.

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PAGE 03 LISBON 04674 231915Z

7. US REPS THEN BROUGHT TO THE ATTENTION OF THE PORTUGUESE REPS REVISED SELF-HELP MEASURES INCLUDING THE ADDITION OF PARA B ITEM VI. GOP NEGOTIATORS ACKNOWLEDGED THE ADDITION AND SUGGESTED THE FOLLOWING CHANGES.

(1) REMOVE CAPITAL LETTERS FROM QUOTE AGRICULTURAL DEVELOPMENT PLAN UNQUOTE; (2) REMOVE THE TIME PERIOD REFERENCE QUOTE 1977-1980 UNQUOTE; (3) REMOVE THE WORD QUOTE SERVICE UNQUOTE FROM THE TERM NATIONAL SERVICE PROGRAMS; AND (4) STRIKE CAPITALS FROM THE WORDS NATIONAL AND PROGRAMS. USG NEGOTIATORS AGREED TO THE SUGGESTIONS.

8. AT THE CLOSE OF THE SESSION GOP NEGOTIATORS INDICATED WILLINGNESS TO SIGN THE AGREEMENT ASAP. US REPS AGREED WITH THE DESIRABILITY OF FINALIZING THE ACCORD ASAP BUT REMINDED GOP NEGOTIATORS THAT OVER DUE REPORTS MOST RECENTLY PROMISED FOR JUNE 15 HAD NOT BEEN RECEIVED. US REPS ADVISED GOP REPS THAT THE AGREEMENT COULD NOT BE SIGNED UNTIL THE REPORTS WERE IN HAND. US REPS ALSO REMINDED GOP NEGOTIATORS THAT AS YET GOP HAD NOT PROVIDED THE EMBASSY WITH THE NAME OF THE INDIVIDUAL WHO WOULD

BE RESPONSIBLE FOR COORDINATION OF PL 480 MATTERS WITH
THE US EMBASSY. GOP REPS AGREED TO PROVIDE A LETTER
NAMING RESPONSIBLE INDIVIDUAL, AND PROVIDE REPORTS BY JUNE
30. (SELF-HELP AND PROCEEDS GENERATION AND UTILIZATION).

9. ACTION REQUESTED: EMBASSY REQUESTS AUTHORITY TO STRIKE THE
WORD QUOTE UTILIZED UNQUOTE FROM EXPORT LIMITATION LANGUAGE
ITEM IV AS DESCRIBED ABOVE PARA 6.
BLOOMFIELD

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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
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